

HOUSE FINANCE COMMITTEE

March 1, 2016

1:04 p.m.

[1:04:51 PM](#)

CALL TO ORDER

Co-Chair Neuman called the House Finance Committee meeting to order at 1:04 p.m.

MEMBERS PRESENT

Representative Mark Neuman, Co-Chair
Representative Steve Thompson, Co-Chair
Representative Dan Saddler, Vice-Chair
Representative Bryce Edgmon
Representative Les Gara
Representative Lynn Gattis
Representative David Guttenberg
Representative Scott Kawasaki
Representative Cathy Munoz
Representative Lance Pruitt
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Jessica Cook, National Education Association Alaska, Palmer; Kathie Wasserman, Executive Director, Alaska Municipal League, Juneau; Valerie Brooks, National Education Association Alaska, Ketchikan; Linda Murphy, Self, Soldotna; Jason Tauriane, KPC Paramedic Student Association, Kenai; Wendy Demers, FEA/NEA, Fairbanks; Tim Parker, NEA, Fairbanks; House Speaker Mike Chenault; Representative Cathy Tilton; Representative Louise Stutes; Representative Lora Reinbold; Representative Dan Ortiz.

PRESENT VIA TELECONFERENCE

Milo Faris, Self, Mat-Su; Ken Smith, Seniors, Mat-Su; Sara Saxton, Alaska Libraries, Mat-Su; Noel Maxwell, Self, Mat-Su; Dave Maxwell, Self, Mat-Su; Carl Baker, Seniors, Mat-Su; Samantha Russell, Hope Community Resources, Mat-Su; Leslie Davis, Hope Community Resources, Mat-Su; Gary Smith,

Seniors, Self, Mat-Su; Todd Pettit, Farmer, Mat-Su; Jane Soeten, Seniors, Mat-Su; Elizabeth Ripley, Mat-Su Health Foundation, Mat-Su; Ernie Diamond, Denali Meat Company, Mat-Su; Eugene Haberman, Self, Mat-Su; Amy Pettit, Executive Director, Alaska Farmland Trust, Mat-Su; John Alcantra, Self, Mat-Su; Mary Jo Joiner, Alaska Library Association, Kenai; Amber Sweetland, Student, Soldotna; Cheryl Tuttle, Student, Kenai; Sally Cassano, KDLL Public Radio, Kenai; Rachel Bon, Student, Kenai; Bill Larned, KDLL Public Radio, Kenai; George Pierce, Self, Kasilof; Amy Seitz, Executive Director, Alaska Farm Bureau, Soldotna; Fred Sturman, Self, Kenai; Jack Roberts, Student, KPC, Soldotna; Heidi Chay, Kenai Soil and Water Conservation District, Soldotna; Heather Foxworthy, Self, Kodiak; Jean Barber, Self, Kodiak; Mark Puyopy, Recipient, Hope Community Resources, Kodiak; Corrie Davis, Hope Community Resources, Kodiak; Aharon Dolph, Recipient, Hope Community Resources, Kodiak; Shari Tanttila, Hope Community Resources, Kodiak; Medi Santamaria, Hope Community Resources, Kodiak; Bernie Graham, Recipient, Hope Community Resources, Kodiak; Julia Wiley, Recipient, Hope Community Resources, Kodiak; Sonia Clary, Hope Community Resources, Kodiak; Justin Woods, Hope Community Resources, Kodiak; Jeffrey Garcia, Recipient, Hope Community Resources, Kodiak; Conor Gahan, Volunteer, Hope Community Resources, Kodiak; Terry Haines, Self, Kodiak; Monte Hawver, Director, Brother Francis Shelter, Kodiak; Katie Baxter, Public Libraries, Kodiak; Alan Schmitt, Public Broadcasting, Kodiak; Bob Brodie, Self, Kodiak; Ann Dixon, Director, Public Library, Homer; Jill Lush, Executive Director, Sprout Family Services, Homer; Lisa Asselin, Homer Early Childhood Coalition, Homer; Michael McCarthy, Self, Homer; Naomi Scheffel, KBC Campus UAA, Homer; Sannon McBride-Morin, KBBI, Homer; Mako Haggerty, KBBI, Homer; Boni McNatt, Peony Industry, Homer; Genarita Grobarek, Conscious Earth Farm, Homer; James Hornaday, KPC College, Homer; Clyde Boyer, Self, Homer; Shannon Cefalu, KBC College, Homer; Bob Moore, Self, Homer; Donna Rae Faulkner, Oceanside Farms, Homer; Brett Glidden, Haven House, Homer; Rodney Dial, Self, Ketchikan; Susan Pickrell, Self, Ketchikan; Bill Rotecki, Self, Ketchikan; Janalee Gage, Self, Ketchikan; Joe Williams, Self, Saxman; Michelle O'Brien, Ketchikan School Board, Ketchikan; Edward Baker, Self, Ketchikan; Licha Kelley, Executive Director, Rendezvous Senior Day Service, Ketchikan; Kimberle Blunt, Senior Center, Ketchikan; Terri Whyte, Self, Ketchikan; Loren Stanton, Self, Ketchikan; Allison Sacco, Self, Mat-

Su; Helen Simmonds, Key Coalition, Barrow; Erin Hollingsworth, Self, Barrow; Michael Jeffery, Self, Barrow; Linda Payton, KBRW Radio, Barrow; Glenn Edwards, Self, Barrow; Alannah Hurley, United Tribes of Bristol Bay, Dillingham; Ida Noonkesser, Director, City of Dillingham Senior Center, Dillingham; Courtenay Carty, Executive Assistant, City of Dillingham, Dillingham; Marilyn Casteel, Executive Director, SAFE, Dillingham; Dan Dunaway, KDLG Radio, Dillingham; Dan Pasquariello, Dillingham Police Department, Dillingham; Michael West, Director, Alaska Earthquake Center, University of Alaska Fairbanks (UAF), Fairbanks; Pat Ivey, Self, Fairbanks; Jeff Benowitz, UAF-Geology, Fairbanks; Richard Fineberg, Self, Fairbanks; Richard Seifert, Self, Fairbanks; Anna Plager, Self, Fairbanks; Jan Hansom, Cooperative Extension Services, Fairbanks; Dakota Wilcher, Cooperative Extension Services, Fairbanks; Richana Mahle, Women and Children's Center for Inner Healing (WCCIH), Fairbanks; Karl Kassel, Mayor, Fairbanks North Star Borough, Fairbanks; Andrea Merchant, WCCIH, Fairbanks; Michael Ori Miller, UAF, Fairbanks; Caleb Smith, UAF, Fairbanks; Bill Schnabel, UAF, Fairbanks; Sophie Tidler, UAF, Fairbanks; Michael Cook, Self, Fairbanks; Doug Toelle, Director, Access Alaska, Fairbanks; Lance Roberts, self, Fairbanks; Jeanette Grasto, NAMI, Fairbanks; Molly McDermott, UAF, Fairbanks; Jessica Herzog, UAF, Fairbanks; Ryan Burnham, UAF College of Engineering and Mines, Fairbanks; Nikki Hines, Prisoner Re-entry Coordinator, City of Fairbanks; Corinne Bowell, self, Fairbanks; Randy Bowell, Self, Fairbanks; Douglas Cost, UAF, Fairbanks; Kailyn Davis, UAF, self; Roger Burggraf, self, Fairbanks; Ameer McHatten, FNA, Fairbanks; Simon Matthew, Self, Stevens Village; Curtis Watkins, Self, Fairbanks; Sue Sherif, Self, Fairbanks; Lisa Herbert, President, Fairbanks Chamber of Commerce, Fairbanks; Susheila Kherce, Self, Fairbanks; Kris Wilson, Self, North Pole; Heather Koponen, Self, Fairbanks; Bonnie Woldstad, Self, Fairbanks; Jomo Stewart, Fairbanks Economic Development Corporation, Fairbanks; Karen Taber, Fairbanks Wellness Coalition, Fairbanks; Jimmy Fox, Alaska Parent Teacher Association, Fairbanks; Bob Harcharek, Mayor, City of Barrow; Dallas Brower, Self, Barrow; Lindsey Layland, Self, Dillingham; Gina Carpenter, Self, Dillingham; Ted Kreig, Self, Dillingham; Sandy Jamieson, Self, Fairbanks; Jon Christensen, Self, Fairbanks; Tonya Brown, Self, Fairbanks; Rebecca Ransdell, Self, Fairbanks; Jessica Hedge, Counselor, Fairbanks Native Association, Fairbanks; Sharon Alden, Self, Fairbanks; Chris Emrich, City of False

Pass, Anchorage; Sondra Kaplan Mat-Su Health Services & Mat-Su Health Board, Wasilla; Rachel Greenberg, Executive Director, Mat-Su Senior Services, Palmer; Vanessa Reinhardt, Self, Wasilla; Ed Martin Jr., Self, Hawaii; Phil Horton, Board President, Mat-Su Health Services, Wasilla; Shawn Phillips, City of Fort Yukon, Fort Yukon; Karen Harris, Self, Palmer; Bob Fassino, Self, Wasilla; Claire Stephens, Self, Anchorage; Kay Clements, KHNS General Manager, Haines; Cyrus Cooper, Self, Heely; Patricia Preydt, Self, Dillingham; Kay Andrews, Self, Aleknagik; William Morris, City of Anderson, Anderson; Jay Kenick, Self, Nome; Matthew Gilbert, Self, Haines; Steve Ginnis, Fairbanks Native Association, Fairbanks; Donna Bell, Self, Haines; Carol Duis, Self, Haines.

SUMMARY

HB 256 APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 256 was HEARD and HELD in committee for further consideration.

HB 257 APPROP: MENTAL HEALTH BUDGET

HB 257 was HEARD and HELD in committee for further consideration.

#hb256

#hb257

HOUSE BILL NO. 256

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs, capitalizing funds, making reappropriations, making supplemental appropriations, and making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

HOUSE BILL NO. 257

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

Co-Chair Neuman discussed the meeting agenda.

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AT EASE

[1:07:53 PM](#)

RECONVENED

^PUBLIC TESTIMONY: HOMER, KENAI, KETCHIKAN, KODIAK, MAT-SU,
and SEWARD

[1:07:58 PM](#)

MILO FARIS, SELF, MAT-SU (via teleconference), spoke about the percentage of market value related to the Permanent Fund. He spoke to the payment plan spearheaded by former Governor Jay Hammond related to the earnings of the Permanent Fund. He furthered that the Alaska Permanent Fund Corporation (APFC) trustees had voted on the plan unanimously in 2001. He stated that Governor Hammond had planned that the state would get zero of the money from the Permanent Fund. He spoke to an average annual earnings of 10 percent. He proposed taking 3 percent for inflation proofing the fund. He stated that the legislature would take away everything. He stated that the legislature was going to reduce citizens' Permanent Fund Dividends. He believed there needed to be a plan where the state got 80 percent of the earnings in bad years and zero in good years.

Co-Chair Neuman relayed that the committee members read all of the written comments.

[1:11:38 PM](#)

KEN SMITH, SENIORS, MAT-SU (via teleconference), spoke in support of seniors. He stated that Representative Gattis had told seniors they needed to leave the state if they were on a fixed income. He was in strong opposition to the remark. He stated that he was in Alaska to stay and did not appreciate much of the money spent by the legislature, including funds spent on special session and the legislative information office. He emphasized that the state's residents voted the legislators in office and could vote them out. He stressed that seniors had strong political pull. He was proud to be a senior.

1:13:17 PM

SARA SAXTON, ALASKA LIBRARIES, MAT-SU (via teleconference), spoke in support of funding for libraries. She relayed her experience with the state Battle of the Books competition. She shared that at least one team had been at a disadvantage in the competition due to slow internet access. She urged support for broadband access grants and Online With Libraries (OWL). She stressed that no student should ever feel that the place they made their home put them at a disadvantage academically or competitively. She stated that eliminating the programs were cutting off students and resources used by the state fire marshal's office, the U.S. Coast Guard, Providence Hospital, and other.

1:15:43 PM

NOEL MAXWELL, SELF, MAT-SU (via teleconference), spoke to the importance of bringing in alternative revenue sources. She believed using part of the Permanent Fund earnings reserve appeared to be necessary to stabilize the budget. She believed it was important to cut as much waste and redundancy as possible. She thought it was imperative to put a cap on spending and to provide for a way to restore the Permanent Fund when revenue increased from other resources. She did not support changes to the Permanent Fund that would allow for unrestrained raids on the fund. She asked the legislature to hold the agencies accountable for their spending.

1:17:51 PM

DAVE MAXWELL, SELF, MAT-SU (via teleconference), spoke to his past service to the State of Alaska. He spoke to corruption and waste of money in government and a system that failed to hold its own accountable. He shared his personal history of employment.

1:20:36 PM

CARL BAKER, SENIORS, MAT-SU (via teleconference), spoke in support of funding for seniors. He spoke in strong opposition to recent comments made by Representative Gattis about seniors. He stressed the importance of eliminating waste in government. He stated that there were millions of dollars wasted on a daily basis. He stated that seniors

were one of the larger income sources for the state. He stressed that he would not be moving from the state and would be buried in Alaska at the end of his life. He understood that cuts were needed for many things, but he urged the committee to cut the waste.

[1:22:50 PM](#)

SAMANTHA RUSSELL, HOPE COMMUNITY RESOURCES, MAT-SU (via teleconference), spoke against cuts to behavioral health services grants. She stressed that people with mental health disabilities were valuable members of the community. She relayed that many of the individuals needed minimal services to remain safely and securely in their homes, but when the services were not available, circumstances could change quickly. She detailed that people lost social and practical skills that could help secure employment, parents had to stay home to care for children who were too behaviorally or medically challenging for typical daycare, and other. She discussed various attributes of the programs. The grant funded outreach to over 60 families in Mat-Su. She spoke to the state's plan to promote the health of people with disabilities.

[1:24:59 PM](#)

LESLIE DAVIS, HOPE COMMUNITY RESOURCES, MAT-SU (via teleconference), testified in support of funding for behavioral health services grants. She communicated that two to three families called weekly seeking local support to identify resources and services to get help for their loved one with a disability. She provided examples of recent calls for help they had received at the resources center. She shared that a mother had called looking for housing for her recently diagnosed 30-year old daughter with autism. She listed many other examples. She thanked the committee for its time.

[1:27:19 PM](#)

GARY SMITH, SENIORS, SELF, MAT-SU (via teleconference), spoke in support of funding for seniors. He had been a resident for 36 years. He believed that Representative Gattis owed the seniors of the state an apology. He stressed that the seniors had made this country. He stated that legislators could be taken out of office by a vote. He emphasized instead of wanting seniors to leave, the

legislators should embrace them. He asked what the legislature would do to young people who did not make money, but cost money. He asked if young people would be told to leave the state too. He stressed the importance of seniors in the state.

1:28:30 PM

TODD PETTIT, FARMER, MAT-SU (via teleconference), spoke in support of agricultural services. He expressed his concern about cuts to the seed potato program. He stressed that the cold weather, disease free certified seed program was world renowned. He implored the committee to reconsider the drastic cuts. He was a red meat producer and processor that had formed the Denali Meat Company. He wanted to compete in the public process to privately manage and operate Mt. McKinley Meat and Sausage. He was in support of one-time funding to keep the Mt. McKinley plant in operation until it could transition to the private sector. He spoke to allowing the future growth of livestock and he addressed food security.

1:31:10 PM

JANE SOETEN, SENIORS, MAT-SU (via teleconference), stressed support for senior benefits. She was against proposed cuts to senior benefits and nutrition for seniors. She discussed that lunch was served daily at the local senior center to about 100 people. She testified in support of Meals on Wheels and explained that six trucks delivered food to seniors daily. She stated that many seniors were isolated and the delivery drivers kept track of the seniors they delivered food to. The group was working very hard to earn money for its program. She urged the committee to not cut food programs for seniors.

1:33:11 PM

ELIZABETH RIPLEY, MAT-SU HEALTH FOUNDATION, MAT-SU (via teleconference), spoke in support of funds for public health and behavioral health services grants. She noted that the board had adopted focused areas for funding called Healthy Minds, Healthy Aging, and Healthy Foundations for Families. She was concerned that the proposed cuts to the budget would adversely affect people who fell into all three of the focus areas. Current laws did not permit all providers to bill Medicaid. Until the situation was

rectified, cutting behavioral health grants would only reinforce the current system that drove people to seek emergency room care. She stressed that the Mat-Su hospital cost Alaska \$20 million in 2013; there were more visits to the hospital than to the community mental health center. She stressed that all of the state dollars were being invested downstream. Cutting the grants would only increase state costs. Investment upstream would have significant savings downstream.

1:35:31 PM

ERNIE DIAMOND, DENALI MEAT COMPANY, MAT-SU (via teleconference), spoke in support of Denali Meats. He hoped to compete for a chance to lease and operate Mt. McKinley Meats He was a professional meat production manager since 1971. He spoke in support of the one-time funding to keep the Mt. McKinley Meat plant in operation. He believed privatization would be positive for the plant and would allow for increased production. He stated that farmers had trepidation because they kept hearing that the meat plant would be closed due to cut funding. He stated that the plant would provide private sector jobs.

1:37:35 PM

EUGENE HABERMAN, SELF, MAT-SU (via teleconference), he did not believe the public testimony time allowed the entire population to be heard. He stated that the decisions made by the legislature would likely not be in the interest of the public. He did not support proposals in the legislature to implement an income or sales tax or to reduce the Permanent Fund Dividend. He stressed that implementing a state income tax or sales tax without voter approval was inappropriate. He shared that a sales tax had been brought to the Wasilla community for approval. He stressed that a budget crisis should allow for more public participation and review.

Co-Chair Neuman relayed that the public comment period had been expanded in the current session.

1:39:46 PM

AMY PETTIT, EXECUTIVE DIRECTOR, ALASKA FARMLAND TRUST, MAT-SU (via teleconference), spoke in support of funding for the Alaska agriculture industry. She spoke to the daunting

nature of the budget process. She relayed that it was unsettling to face cuts and criticism of the legislature who seemed to only want to talk about failures in the past. She supported the governor's proposal, which made strategic cuts, changed the Permanent Fund Dividend structure, and looked for innovative ways to move forward and change the state's dependency on the oil industry. She spoke against cuts to the UAF Cooperative Extension program. The agriculture industry in Alaska was currently thriving. She spoke to controlled production of vegetables, year-round hydroponic production of lettuces, herbs, and other products. She stressed that food was a \$2.5 billion industry in Alaska. She asked the committee to return funding to the Division of Agriculture, the Cooperative Extension, and the Mt. McKinley Meat plant.

[1:42:07 PM](#)

JOHN ALCANTRA, SELF, MAT-SU (via teleconference), testified in support of funding for the University; he believed cuts were too severe. He stated that in general the cuts in the committee's bill went too far. He stated that there was money set aside to get the state through rough times. He did not want the University system cut so significantly.

[1:43:11 PM](#)

MARY JO JOINER, ALASKA LIBRARY ASSOCIATION, KENAI (via teleconference), testified in support of the restoration of the Online With Libraries program to the governor's proposed level. She had recently received an angry call from a community member that there were no IRS forms at the local post office and very few at the library. She had tried to explain that the forms were available online, but he did not have the ability to access and print forms at home. She stated that if the legislature expected Alaskans to go online to file for the Permanent Fund Dividend, to send email, to apply for jobs, and other, they must have internet access. She stated that without internet access in the state's public libraries, many Alaskans did not have access to and could not afford broadband. She stated that the \$262,000 leveraged more than \$1 million in federal e-rate funds. The program would no longer be able to fulfill its purpose without sufficient broadband speeds. She asked the committee for its continued support.

[1:45:27 PM](#)

AMBER SWEETLAND, STUDENT, SOLDOTNA (via teleconference), testified in support of funding for the University. She was concerned about cuts made to the University budget. She relayed that the entire community depended on the campus and its programs. She stated that the campus made it possible for many members of the community to receive an education. She wanted to ensure they were not forgotten. She thanked the committee for its time.

[1:46:57 PM](#)

CHERYL TUTTLE, STUDENT, KENAI (via teleconference), testified in support of funding for the University. She stressed that the office in Kenai had made many difficult decisions based on the budget. She relayed that they had decided not to travel to meet with the legislature in order to save funds. She stressed that if too much funding was removed she wondered who would take care of educating Alaskans.

[1:48:17 PM](#)

SALLY CASSANO, KDLL PUBLIC RADIO, KENAI (via teleconference), spoke in opposition to cuts to public radio. She listed small communities that were kept informed by public radio. She believed rural Alaska relied more on public radio than in any other locations in the country. She relayed that it was the only link to the outside for some individuals. Access to national and local programming kept residents informed. She listed numerous communities who were kept informed by public radio.

[1:49:31 PM](#)

RACHEL BON, STUDENT, KENAI (via teleconference), testified in support of funding for the University. She was opposed to cuts of \$1.3 million to the Kenai River Campus. She relayed that a cut of that size would mean most of the students would need to go to another location in the state for school. She shared that many students were talking about leaving the state to receive a degree if the campus was cut. She communicated that the cut would negatively impact the economy. She thought that cutting education should not be the solution.

[1:51:24 PM](#)

BILL LARNED, KDLL PUBLIC RADIO, KENAI (via teleconference), spoke against cuts to public radio funding. He stressed that services were tied together to keep listeners tuned in. He stated that there were very few employees at public radio stations with very modest salaries; the rest of the work was done by volunteers. He stressed that as lean as the station was, it had a budget threshold where it began to break down. He relayed that public radio had already sustained cuts in Alaska state grants. He stated that some equipment upgrades were desperately needed to prevent uninterrupted feeds. He stressed that the amount needed was relatively small.

[1:53:32 PM](#)

GEORGE PIERCE, SELF, KASILOF (via teleconference), stated that legislators got the state into the current mess and now wanted the people to bail them out. He stressed that the legislature needed to stay away from the Permanent Fund. He stated that the dividend was the only money that Alaskans get for their resources. He believed the state needed to charge more for its resources. He thought an income tax was fairer than a state income tax. He wondered why the legislature was not looking for new revenue. He asked the legislature to increase taxes on the state's resources. He stated that the programs could not be afforded. He did not support funding for the Ambler Road or the Legislative Information Office. He suggested cutting the salaries of legislators. Oil and gas taxes were not working for Alaskans. He stated that taxes should be implemented on mining, fishing, and other; they should pay their fair share. He stated that it was not the state's job to fund nonprofits.

[1:56:03 PM](#)

AMY SEITZ, EXECUTIVE DIRECTOR, ALASKA FARM BUREAU, SOLDOTNA (via teleconference), spoke in support of Mt. McKinley Meats. She thanked Representative Pruitt and the Department of Natural Resources subcommittee for keeping Mt. McKinley Meat and Sausage in the budget for another year. She stated that without the industry the state's food security would be impacted. She asked the committee to keep it in the budget for another year before it could be privatized. She supported the seed potato program and asked for its

reinstatement. She stated that there was an additional cut to the plant materials center, which she did not support.

1:58:20 PM

FRED STURMAN, SELF, KENAI (via teleconference), was disappointed in the governor and the legislature. He stated that the governor was going to give up \$9 million for employees. He remarked that there was a state employee for every 43 people. He stated that the legislature needed to get tough on government. He stated that the salaries and benefits for state employees were too high. He relayed that employees on the North Slope had taken a 20 percent salary decrease. He stressed that jobs had been lost in Anchorage. He supported the use of red pencils to cut the budget.

2:00:50 PM

JACK ROBERTS, STUDENT, KPC, SOLDOTNA (via teleconference), testified in support of funding for the University. He was working to further his education in the healthcare field. He would hate to see the nursing program get cut at Kenai Peninsula College. He understood there was a tight budget, but he believed proposed cuts to the University system were way too deep. He stated that one of the first things the legislature should cut was its own salary and budget.

2:02:20 PM

HEIDI CHAY, KENAI SOIL AND WATER CONSERVATION DISTRICT, SOLDOTNA (via teleconference), spoke in support of the state's agriculture industry. She relayed that feeding Alaskans was a \$2.5 billion industry that was growing rapidly. She discussed the need to diversify the state's economy. She spoke to increasing food security. She urged the committee to fund the Cooperative Extension in the University budget and to the Division of Agriculture. She asked for extended funding for the Mt. McKinley Meat plant paid its own way through fees collected; she supported continued funding for one year in order for the plant to transition to private ownership. She stressed that eliminating funding for potatoes put the crop at risk.

2:04:40 PM

HEATHER FOXWORTHY, SELF, KODIAK (via teleconference), spoke in support of funds for Parents as Teachers. She discussed

how investing in early education saved money later on. Additionally, how the brain synapses formed in the first three years of life laid down the foundation for a lifetime of learning. She relayed that Parents as Teachers served all families. She discussed the organization's three-pronged approach. The parent educators conducted home visits and connected families to other services in the community when needed. She rooted for families. She stressed that parent educators provided extensive services for all of their needs.

[2:06:56 PM](#)

JEAN BARBER, SELF, KODIAK (via teleconference), spoke in support of Hope Community Resources that served children with special needs. She stated that without the program there were many young people who would only exist, but would not really live. She stressed that the individuals deserved a full life just like everyone else.

[2:08:10 PM](#)

MARK PUYOPY, RECIPIENT, HOPE COMMUNITY RESOURCES, KODIAK (via teleconference), testified in support of Hope Community Resources. He was a Hope services recipient. He enjoyed bowling, hunting, and fishing with the recreational program.

[2:09:16 PM](#)

CORRIE DAVIS, HOPE COMMUNITY RESOURCES, KODIAK (via teleconference), testified in support of funds for Hope Community Resources and people with developmental disabilities. She asked the committee to restore the 5 percent proposed cut. She stressed that the proposed cut would affect the lives of at least 25 community members and would dramatically impact 8 families in Kodiak. There were many children who could not attend regular daycare due to their disabilities. The base grants funded recreation programs for the individuals. The cost of institutionalized care is tremendous; the base grants helped keep people from being institutionalized and saved the state a substantial amount of money in the long-term.

[2:10:38 PM](#)

AHARON DOLPH, RECIPIENT, HOPE COMMUNITY RESOURCES, KODIAK (via teleconference), testified in support of funds for Hope Community Resources. He implored the committee to not cut behavioral health services program grants. He thanked the committee.

[2:12:00 PM](#)

SHARI TANTTILA, HOPE COMMUNITY RESOURCES, KODIAK (via teleconference), testified in support of funds for Hope Community Resources and disabled Alaskans. She was in support of the recreation program offered at Hope. She stressed that the grants made such a difference in the lives of disabled individuals using the programs. She hoped that each and every disabled individual in Alaska could make their choices. She asked the committee to her comments into consideration.

[2:13:07 PM](#)

MEDI SANTAMARIA, HOPE COMMUNITY RESOURCES, KODIAK (via teleconference), testified in support of funds for Hope Community Resources. She stated that the grants enabled her to do many important things that made her life better. She urged the committee to not take away the grant funds.

[2:13:36 PM](#)

BERNIE GRAHAM, RECIPIENT, HOPE COMMUNITY RESOURCES, KODIAK (via teleconference), testified in support of funds for the Hope Community Resources recreational program. She spoke to the activities she did with the program including fishing. She was proud to bring home fish to feed her housemates. She spoke to other programs such as art, beach combing, hunting, and safety. She would be very sad without the recreation program. She had used the program every day for ten years.

[2:15:31 PM](#)

JULIA WILEY, RECIPIENT, HOPE COMMUNITY RESOURCES, KODIAK (via teleconference), testified in support of funds for the Hope Community Resources recreational program. She shared that she did various activities including art, camping, hiking, fishing, kayaking, bowling, and other. She went to Hope every day.

[2:16:25 PM](#)

SONIA CLARY, HOPE COMMUNITY RESOURCES, KODIAK (via teleconference), testified in support of funds for Hope Community Resources. She was concerned about reductions to grants in the Department of Health and Social Services. She urged the committee to reconsider the cuts impacting disabled Alaskans.

[2:17:21 PM](#)

JUSTIN WOODS, HOPE COMMUNITY RESOURCES, KODIAK (via teleconference), testified in support of funds for the Hope Community Resources recreational program for individuals with developmental disabilities. He had worked on developing outdoor programs for many years with the program. He relayed that the programs provided individuals with important access and opportunities to be out in the community. The program taught individuals important life skills and proving to themselves their abilities and contribution. The programs supported the individuals in harvesting their own fish and meat to offset their limited budgets and to experience the pride and satisfaction of providing for their own and other's needs. He implored the committee to not cut the important lifelines provided through the developmental disability grants.

[2:18:28 PM](#)

JEFFREY GARCIA, RECIPIENT, HOPE COMMUNITY RESOURCES, KODIAK (via teleconference), testified in support of funds for the Hope Community Resources recreational program. He stated that the developmental disability grants helped him enjoy his life to the fullest.

[2:18:59 PM](#)

CONOR GAHAN, VOLUNTEER, HOPE COMMUNITY RESOURCES, KODIAK (via teleconference), testified in support of funds for Hope Community Resources. He was an international volunteer with Hope. He relayed that in his country similar programs were only now coming into place to increase the quality of life for people with mental and physical disabilities. Alaska already had the programs in place and he did not believe the funds should be cut. He believed the legislature should give the individuals the quality of life they deserved.

2:19:28 PM

TERRY HAINES, SELF, KODIAK (via teleconference), testified in support of funds for Hope Community Resources and public broadcasting. He asked the committee to look at the current funding amount for public broadcasting and compare it to other parts of the budget. He asserted that cutting the funding was symbolic in looking at the entire scope of the budget. He stressed that public radio provided essential services that could not be provided at a cheaper cost. Services included participation in the representational government for rural residents. He spoke to the emergency information services that public radio provided.

2:22:06 PM

MONTE HAWVER, DIRECTOR, BROTHER FRANCIS SHELTER, KODIAK (via teleconference), spoke against proposed mental health cuts and energy assistance cuts. He shared that when he had opened the shelter in 1991, the first item added was mental health services. He felt that it was essential to have mental health care professionals within the school system and the domestic violence shelter. All of the services flowed out of the local behavioral health center in Kodiak. He relayed that there had not been a suicide in the Kodiak school system in seven years. Many people had done a significant amount of work to make that happen. He emphasized the importance of mental health services in keeping the state's children healthy and alive. He stressed that great progress had been made and he did not want to see a loss in the momentum. He stressed that in a declining economy, mental health services should not be cut.

2:24:38 PM

KATIE BAXTER, PUBLIC LIBRARIES, KODIAK (via teleconference), spoke in support of the OWL program. She urged the restoration of the internet connectivity program. She stressed that in the near future the astonishing cuts would hit at the local level within homes, businesses, and special entities. The OWL system would be an anchor in the time of job readiness, when school resources are cut, and when businesses need to seek new ways to establish business practices. She urged the committee to restore the governor's funding of \$761,800 for the OWL internet

connectivity program. She provided further information about the program.

[2:26:41 PM](#)

ALAN SCHMITT, PUBLIC BROADCASTING, KODIAK (via teleconference), was concerned about the quality of life in Alaska and the long-term health of the state's economy with the draconian cuts that were proposed. He urged the committee to focus its efforts on raising additional revenues. He testified in support of funds for public broadcasting. He stressed that the proposed cuts could have a ripple effect on the economy. He urged the committee to keep the quality of life in remote Alaska as it is, which required assistance. He supported the public library.

[2:28:32 PM](#)

BOB BRODIE, SELF, KODIAK (via teleconference), believed the governor's proposal to tap the Permanent Fund, increase revenue from other sources, and make cuts was a practical mix. He stated that if the legislature cut too far it would eliminate federal funds coming into the state. He supported public broadcasting and was opposed to cutting the service. He spoke to the importance of public radio, which was essential to rural communities. He noted that radio enabled rural Alaska to follow government.

[2:30:34 PM](#)

ANN DIXON, DIRECTOR, PUBLIC LIBRARY, HOMER (via teleconference), testified in support of Online With Libraries, broadband internet access, and the video conference network. She shared that OWL supported the internet cost for 43 of the smallest rural libraries in Alaska. She stressed that OWL funding leveraged over \$1 million in federal e-rate funding; Alaska paid 19 percent, and e-rate paid 79 percent. The OWL network was a cost-saving, viable method to conduct government, implement training, and further education. She asked the committee to imagine not having access to conduct its business. She urged the committee to restore the governor's proposed cut to state libraries; further cuts would be detrimental.

[2:32:59 PM](#)

JILL LUSH, EXECUTIVE DIRECTOR, SPROUT FAMILY SERVICES, HOMER (via teleconference), urged the committee to restore funds for Best Beginnings and Parents as Teachers as listed in the governor's budget. She stressed that investing in children was a moral issue for individuals with voting power. She emphasized that investing in children was also a financial issue. She stated that an investment in early childhood was a smart one. Research showed that supporting early learning had significant social payback. He provided statistics. She relayed that the nonprofit supported children and families. She supported funds for the Imagination Library.

[2:34:43 PM](#)

LISA ASSELIN, HOMER EARLY CHILDHOOD COALITION, HOMER (via teleconference), implored the committee to restore funding for Best Beginnings to the level in the governor's budget. She discussed that state investment in early childhood education should always be a priority. She spoke in opposition to cuts to the organization that supported early literacy, which essentially shut the door on the state's youngest and most vulnerable population. She stressed that early literacy was a foundation for success in school and in life. She spoke in support of the Imagination Library. She wondered why the legislature would defund a program that supported every child in the state regardless of where they live in the state and other.

[2:36:15 PM](#)

MICHAEL MCCARTHY, SELF, HOMER (via teleconference), relayed that he had never been so appalled by the legislature's actions. He believed cutting so severely from state programs was detrimental to the state. He stated that the reason for government was to pay for services. He was willing to pay from the Permanent Fund to help pay for services. He was opposed to the luxurious Legislative Information Office. He was against cuts to public radio. He asked the legislature to reduce tax benefits to the oil companies. He spoke to the devastation of the education services for children.

[2:38:43 PM](#)

NAOMI SCHEFFEL, KBC CAMPUS UAA, HOMER (via teleconference), testified in support of funding for the University. She

shared that she is a single mother and had only been able to continue her education due to satellite campuses such as KBC. She stressed that the governor's cuts to the University were manageable, but the cuts by the legislature were too deep. She stressed that the additional cuts would force many students to give up dreams and education opportunities. She urged the committee to protect education in order to protect childrens' futures as well.

[2:39:44 PM](#)

SANNON MCBRIDE-MORIN, KBBI, HOMER (via teleconference), urged the committee to restore funds to public radio. She supported new revenue sources for the state including a state income tax. She supported HB 247 that would reduce tax credits to the oil industry. She did not want to see drastic cuts to social services, public radio, vulnerable Alaskans, and other. She stressed that public radio was a critical connection to rural Alaska. She stressed that it was her link to the community.

[2:42:11 PM](#)

MAKO HAGGERTY, KBBI, HOMER (via teleconference), stressed that it was difficult to come out of a downward spiral when infrastructure was chopped. He supported funds for roads and bridges and public radio, which he believed were all part of public infrastructure. He asked the committee to consider adding to the budget.

[2:43:53 PM](#)

BONI MCNATT, PEONY INDUSTRY, HOMER (via teleconference), spoke in opposition to cuts to the UAF Cooperative Extension program. She stated that the industry used, valued, and needed the service for the success of its livelihood. She stressed that budget cuts would eliminate research programs and reduce staff and salaries, which would cripple the Cooperative Extension. She stated that new businesses brought money into Alaska including the Alaska peony industry. She stated that farming in Alaska was difficult enough; assistance was needed from the extension. She provided information about the peony industry.

[2:46:15 PM](#)

GENARITA GROBAREK, CONSCIOUS EARTH FARM, HOMER (via teleconference), spoke in opposition to cuts to the Cooperative Extension program. She was concerned that cuts would negatively impact her farm. She stated that without the services they would lose an essential tool to help manage her farm. She shared that Alaska imported 90 percent of its food. Cutting budgets would cripple the industry. Supporting food sustainability in Alaska would benefit the state. She spoke to the importance of developing the state's agriculture.

[2:48:15 PM](#)

JAMES HORNADAY, KPC COLLEGE, HOMER (via teleconference), testified in support of funding for the University. He shared that he was a retired businessman, judge, and former mayor of Homer and he understood how difficult budget cuts were. He stated that a \$50 million budget cut was not feasible. He stated that the \$15 million cut in the governor's proposed budget was tough enough. The University had already taken a look at reducing expenses by 10 percent. He stressed that further cuts were too deep. He believed there would need to be a combination of budget cuts, taxes, and possibly accessing the earnings of the Permanent Fund. He stated that just cutting was not responsible.

[2:49:43 PM](#)

CLYDE BOYER, SELF, HOMER (via teleconference), supported the governor's proposed budget, which he believed was adequate and necessary to fund all of the various services that were important to Alaska and its communities. He stated that the per capita budget was actually smaller than it had been in many years. He remarked that reducing the budget put the state's economy into a recession mode. He stated that legislators needed to be thinking about new funds. He believed a state income tax should be reinstated. He also believed a small sales tax would help bring in funds from non-residents. He stated that it would be acceptable to take funds from the Permanent Fund if needed.

[2:51:20 PM](#)

SHANNON CEFALU, KBC COLLEGE, HOMER (via teleconference), testified in support of funding for the University. She

stated that the school in Homer was already very small; it had a minimal number of staff and was already as condensed as possible. She stressed that the proposed cuts would be a devastating change to the campus, which would likely cause students to be forced to relocate to other colleges. She strongly urged the committee to accept the governor's proposed budget.

[2:52:24 PM](#)

BOB MOORE, SELF, HOMER (via teleconference), spoke in support of the University, behavioral health services, and K-12 programs. He suggested using a scalpel to make cuts instead of a chainsaw. He urged the committee to not allow firearms on any University campus by any personnel other than security. He quoted Thomas Jefferson: "a well-educated populous is critical to the success of a democracy."

[2:53:30 PM](#)

DONNA RAE FAULKNER, OCEANSIDE FARMS, HOMER (via teleconference), was shocked at the proposed cuts by the legislature. She suggested using a scalpel to make cuts instead of a chainsaw. She stated that the governor's proposed cuts were dramatic, but the legislature's proposals were devastating to Alaskans. She relayed that it felt like an assault on the state's communities, way of life, interconnectedness, and humanity. She asked the committee to avoid making such deep cuts across the board. She opposed cuts to the OWL program. She was concerned about rural communities that would be further separated from urban areas. She stressed the importance of public radio and opposed cuts. She supported the seed potato program. She spoke to the importance of food safety.

[2:56:04 PM](#)

BRETT GLIDDEN, HAVEN HOUSE, HOMER (via teleconference), stressed that domestic violence and sexual assault did not discriminate. She stated that individuals and families attempting to put the pieces of their lives back together after trauma would be impacted exponentially by most if not all of the budget cuts proposed. She stressed that most of the budget cuts would negatively impact Alaskans. She stated that accessing the Alaska affordable heating assistance program could make a difference for a mother between having the resources to provide food for her

children and not being able to meet their basic needs. She stated that the cuts would add insult to injury. She did not support reducing behavioral health grants and substance abuse programs. She asked the committee to support more behavioral health services to help more Alaskans.

[2:58:03 PM](#)

JESSICA COOK, NATIONAL EDUCATION ASSOCIATION ALASKA, PALMER, spoke in support of education for Alaskans. She stated that children were Alaska's most precious natural resource. She stressed that the time to tackle the problem was now. She discussed that the state had relied too long on oil revenues to fund the state government. She relayed that it was not possible to cut the state's way to a better future. She stated that even altering tax structures would not, by itself, make the state economically healthy. She implored the committee to look at taking action on a multi-pronged approach even if it meant tapping into Permanent Fund reserves.

[3:00:27 PM](#)

KATHIE WASSERMAN, EXECUTIVE DIRECTOR, ALASKA MUNICIPAL LEAGUE, JUNEAU, spoke in support of pursuing additional revenues. She stated that most of the projects and programs were valid and very important to the state. She stated that the governor's proposal put an additional \$35 million in revenue sharing into the budget for revenue sharing; communities depended on the funds. At some point many municipalities would have to raise taxes; there was no other way to get money outside of taxes and fees and the money provided by the state. She encouraged the committee to keep revenue sharing at the governor's proposed \$50 million.

[3:01:51 PM](#)

VALERIE BROOKS, NATIONAL EDUCATION ASSOCIATION ALASKA, KETCHIKAN, spoke in support of education funds. She shared that over 400 delegates had determined that its focus should be on how to bring in revenues. First, she urged the committee to consider Permanent Fund earnings; the municipal league did not support a specific proposal. She urged the legislature to find compromise to deal with the budget deficits. The organization understood that revenue sources must be diversified, but she urged the legislature

to assure that no one segment of the population bore the brunt of the additional revenue being identified. She understood that there was a need for cuts, but there was no way to cut the state out of the deficit. The organization urged the legislature to minimize the impact of the cuts on essential services such as public education.

[3:03:38 PM](#)

LINDA MURPHY, SELF, SOLDOTNA, testified in support of the \$35 million in the governor's proposed budget for municipal revenue sharing. She was vice mayor of the City of Soldotna, but was speaking on her own behalf. She stated that Soldotna would feel pain if it lost revenue sharing, but it could absorb the loss and raise taxes; however, many smaller communities had no tax base. She urged the committee to look at additional sources of revenue including a portion of Permanent Fund earnings. She hoped the committee would remember that local governments were the legislature's partners with the same constituents. She stated that the difference was that when the issue got to the municipal level, communities had no choice but to raise revenues through taxes or to cut services.

[3:05:42 PM](#)

RODNEY DIAL, SELF, KETCHIKAN (via teleconference), did not support funding public radio; he believed citizens should fund the program. He did not support new taxes. He stated that it was wrong to allow people to collect welfare for life and then ask the public to accept new taxes to support welfare. He was offended by claims that cutting entitlement programs would cause Alaskans harm, but that somehow pulling more money out of the pockets of working Alaskans would not. He asked to significantly reduce Medicaid funding. He did not support superfluous education programs.

[3:08:06 PM](#)

SUSAN PICKRELL, SELF, KETCHIKAN (via teleconference), testified against cuts to senior services. She worked with more than 200 Alaska Native elders in Ketchikan; the program did not receive state funds. She shared that many elders had lived a subsistence lifestyle making their living by fishing, hunting, or by building the infrastructure of the villages and towns that legislators represented. She furthered that many of the individuals did

not pay into social security or state unemployment. The elders worked hard but did not get guaranteed insurance or a state retirement. She stated that they could not and would not move away as suggested by Representative Gattis. She relayed that if state benefits were reduced, many elders would be choosing between food and toilet paper. She discussed that in the past elders had been revered. She stressed that the legislature had an obligation that seniors would not spend their last years worrying about how they would live and eat.

[3:10:04 PM](#)

BILL ROTECKI, SELF, KETCHIKAN (via teleconference), testified against cuts to public broadcasting. He believed cuts needed to be done judiciously, fairly, and wisely. He communicated that cutting public broadcasting disproportionately would harm the small communities and their ability to deal with emergencies. He stated that it was not practical for people in rural communities to go online due to expensive costs. He spoke in support of University outreach and research. He stated that it was necessary to recognize the need the state had to strengthen existing industries and grow new industries to replace revenues formerly provided by oil; it was exactly what the University programs did. He supported the Cooperative Extension.

[3:12:03 PM](#)

JANALEE GAGE, SELF, KETCHIKAN (via teleconference), spoke in support of implementing an income tax. She stressed that every one of the programs discussed were a vital part of the state's infrastructure. She stated that as a working individual with a disability she had firsthand experience of being approached by a stranger and told that this "was no place for a cripple to live." She stated that by making the cuts the legislature was handing lifelong Alaskans a blue ticket out of Alaska and away from their homes. She testified against cuts to public radio that was essential to rural Alaska.

[3:12:55 PM](#)

JOE WILLIAMS, SELF, SAXMAN (via teleconference), discussed that for the past 30 or 40 years the state had lived off the graces of oil. He believed it was time that residents

and citizens of the state own up to the free way they had been living. He was in support of a personal tax. He stated that the legislature was elected to do what was right. He encouraged an income tax, a school tax, and other. He strongly encouraged the legislature to close the LIO in Anchorage. He spoke against cuts to the Alaska Marine Highway System (AMHS). He thought Southcentral should be charged the same user fee to use its highways.

[3:15:03 PM](#)

MICHELLE O'BRIEN, KETCHIKAN SCHOOL BOARD, KETCHIKAN (via teleconference), spoke against cuts to public broadcasting. She shared what public broadcasting had been doing to run lean. She detailed that public radio had implemented a series of collaboration techniques and combined services in order to run more efficiently. Public radio used an extensive volunteer base. The station had determined that funding would be based on the investment of the local community. The current proposal was catastrophic for rural areas. She urged the committee to maintain Base Student Allocation (BSA) funding and the \$50 increase. Not investing in the state's youth was a future investment in increased incarceration rates and substance abuse.

[3:16:29 PM](#)

EDWARD BAKER, SELF, KETCHIKAN (via teleconference), supported funds for senior services. He did not believe social services programs were sufficient. He shared that he had only received the Permanent Fund around six times in his lifetime in Alaska due to his work for Alaska Airlines, which took him out of state. He spoke to his health problems. He spoke against cuts that reduced the longevity to \$47. He believed seniors should be given consideration. He did not believe social services were sufficient.

[3:18:55 PM](#)

LICHA KELLEY, EXECUTIVE DIRECTOR, RENDEZVOUS SENIOR DAY SERVICE, KETCHIKAN (via teleconference), testified against cuts to senior services. She stressed that the service provided a warm lunch and relayed that most of the individuals would go home with nothing for dinner. She stated that the individuals went home with a hug every day. She stressed that it was the legislature's honor and duty

to take care of seniors. She implored the committee to restore the funding.

[3:21:23 PM](#)

KIMBERLE BLUNT, SENIOR CENTER, KETCHIKAN (via teleconference), testified against cuts to senior services. She shared that seniors received one meal per day at the center. Seniors enjoyed friendship and social interaction provided by the center. The center kept seniors alive and provided social interaction. She believed that it was very important the seniors received support. She shared that she had a brain injury. She stated that everyone she knew counted on the Permanent Fund.

[3:22:37 PM](#)

TERRI WHYTE, SELF, KETCHIKAN (via teleconference), urged the committee to restore funding for public broadcasting. She spoke to the importance of helping students to gain public speaking experience. She stated that if public radio was cut from the state the communities would lose. Students would miss opportunities to learn about public radio and public speaking forums. She would miss her favorite programs and hosting a show.

[3:24:58 PM](#)

LOREN STANTON, SELF, KETCHIKAN (via teleconference), appreciated cuts of \$40 million for the gasline expenses from the governor's budget. He had also heard that the legislature may put the funds back in the budget, which he did not appreciate. He was especially opposed to the \$26.5 million for groundwork in terms of selling the gas. He stated that \$1.5 million of the funds were supposedly to pay for a single person to sell gas to China. He stressed the importance of cutting tax credits to oil companies. He believed the decision on an income tax and taking funds from the Permanent Fund was too difficult for the legislature to make; he believed the people should be heard on the issue.

[3:27:37 PM](#)

ALLISON SACCO, SELF, MAT-SU (via teleconference), was concerned with the budget cuts and there overall effects. She stressed that all of the services and programs were

part of the state's infrastructure and were important. She stated that cutting jobs may increase the number of people on public assistance. She thanked committee members for their time.

[3:29:04 PM](#)

JASON TAURIANE, KPC PARAMEDIC STUDENT ASSOCIATION, KENAI, testified in support of funding for the University. He shared that the local college was a lifeline to community members and students. He implored the committee to make smart cuts. He stressed that the proposed cuts to the University system would cause deep cuts at the small community colleges like KPC. A program like the paramedic program required teachers from many disciplines to provide the necessary breadth of knowledge. He understood that cuts needed to be made and he supported them, but he asked the committee to make smart cuts that were well researched. He supported the budget proposed by the University Board of Regents. He did not support using funds from the Permanent Fund, which he believed would disproportionately impact the poor and families. He supported a combination of income tax, sales tax, and lotteries. He asked the committee to consider how to build the state's economy and become sufficient.

[3:31:43 PM](#)

AT EASE

[3:46:50 PM](#)

RECONVENED

^PUBLIC TESTIMONY: BARROW, DILLINGHAM, FAIRBANKS

[3:47:41 PM](#)

HELEN SIMMONDS, KEY COALITION, BARROW (via teleconference), encouraged the committee to reinstate the \$640,000 behavioral health grant. She stated that her son had shown great benefit from the grant. She announced that the monthly visits that the grant funded had made a significant positive impact on her son's life and wellbeing. She shared some background of her son's history with incarceration. She stressed that he had shown significant progress.

[3:50:03 PM](#)

ERIN HOLLINGSWORTH, SELF, BARROW (via teleconference), urged the committee to restore funding for public broadcasting. She shared that the public radio was essential for the smaller communities to access emergency broadcasting and information. She remarked that the public radio had pivotal cultural programming. She shared that the public radio allowing access to the outside world.

[3:52:05 PM](#)

MICHAEL JEFFERY, SELF, BARROW (via teleconference), urged the committee to restore funding for public broadcasting. He echoed the remarks of Ms. Hollingsworth. He testified in support of funding for behavioral health services. He spoke in support of the adult dental Medicaid program.

[3:54:55 PM](#)

LINDA PAYTON, KBRW RADIO, BARROW (via teleconference), urged the committee to restore funding for public broadcasting. She shared that she was an avid listener of public radio. She remarked that she understood the state's difficult budget crisis. She felt that reducing the budget by 100 percent would be greatly detrimental to the public radio. She stressed that the public radio provided vital information for emergency and safety services. She stressed that her local community did not have consistent access to the internet.

[3:58:05 PM](#)

GLENN EDWARDS, SELF, BARROW (via teleconference), urged the committee to restore funding for public broadcasting. He stressed that many people in Barrow did not have access to the internet. He echoed the comments of the previous testifier as related to the public radio funding.

[3:58:43 PM](#)

ALANNAH HURLEY, UNITED TRIBES OF BRISTOL BAY, DILLINGHAM (via teleconference), felt that many of the budget reductions were aimed at rural Alaskans. She stressed that many residents of Dillingham were dependent on subsistence living. She felt that the legislature was focused on reductions aimed at rural Alaska. She stressed that there were no alternative services. She remarked that many rural

families depended on the receipt of the permanent fund dividend.

[4:01:21 PM](#)

IDA NOONKESSER, DIRECTOR, CITY OF DILLINGHAM SENIOR CENTER, DILLINGHAM (via teleconference), testified against cuts to senior services. She shared that the services provided to seniors were essential to the health and wellbeing of the native elders in the community of Dillingham. She shared some of the programs that the funding would provide, including meals and basic transportation services. She shared that many elders were unable to drive or afford cab fare. She stressed that the elders had spent their lives participating in the community, and felt that they needed to be treated respectfully.

[4:04:01 PM](#)

COURTENAY CARTY, EXECUTIVE ASSISTANT, CITY OF DILLINGHAM, DILLINGHAM (via teleconference), spoke in support of restoring the governor's proposed supplemental request of an additional \$35 million for the revenue sharing fund. She shared that Dillingham faced a 4.1 percent decrease in revenue sharing from the prior year, and was attempting maintain its current level of services while managing the reduction. The committee's current proposal reduced the City of Dillingham's revenue sharing contribution by more than 34 percent from the current fiscal year.

[4:05:37 PM](#)

MARILYN CASTEEL, EXECUTIVE DIRECTOR, SAFE, DILLINGHAM (via teleconference), testified against the elimination of the district attorney's office in Dillingham. She felt that the cut had a negative effect on the victims in Dillingham. She also urged the committee to restore funding for public broadcasting. She did not believe that the reduction in the state's budget should affect the citizens of the state.

[4:07:47 PM](#)

DAN DUNAWAY, KDLG RADIO, DILLINGHAM (via teleconference), urged the committee to restore funding for public broadcasting. He shared that cutting the state funds for public radio would make it difficult to receive a federal

match for the local radio. He also spoke against the elimination of the district attorney office in Dillingham.

[4:08:51 PM](#)

DAN PASQUARIELLO, DILLINGHAM POLICE DEPARTMENT, DILLINGHAM (via teleconference), spoke against the elimination of the district attorney office in Dillingham. He shared that there would be a great public safety issue as a result of the office elimination. He shared that his community would not benefit from attorneys traveling from the Anchorage District Attorney's Office, because charges would most likely be either dismissed or greatly reduced. He stressed that the traveling attorneys would not have access to an office that was equipped to store case files, receive faxes, or send email.

[4:12:04 PM](#)

MICHAEL WEST, DIRECTOR, ALASKA EARTHQUAKE CENTER, UNIVERSITY OF ALASKA FAIRBANKS (UAF), FAIRBANKS (via teleconference), testified in support of funding for research at the Alaska Earthquake Center. He testified in support of funding for the University. He stressed that the modest state funding provided the "nucleus" to attach to other specific financial interests.

[4:14:09 PM](#)

PAT IVEY, SELF, FAIRBANKS (via teleconference), testified in support of funding for the University, she testified against cuts to senior services, and funding for education. She remarked that the reductions to the university budget would not be able to recoup within the organization. She shared that seniors were the fastest growing population in Alaska. She remarked that the seniors needed help. She felt that the community based grants would provide a quality of life.

[4:16:23 PM](#)

JEFF BENOWITZ, UAF-GEOLOGY, FAIRBANKS (via teleconference), testified in support of funding for the University. He spoke specifically to research funding, specifically research faculty. He remarked that the students and faculty would feel the greatest negative impact.

[4:18:14 PM](#)

RICHARD FINEBERG, SELF, FAIBANKS (via teleconference), encouraged the committee to restructure the North Slope oil revenue structure. He expressed disappointment regarding the legislature's avoidance of business misconduct. He encouraged a change in the state's petroleum audit system. He shared that historical information about major North Slope producers were available on his website.

[4:19:59 PM](#)

RICHARD SEIFERT, SELF, FAIRBANKS (via teleconference), testified in support of funding for the University. He stated that he was heavily involved in the university. He encouraged the committee to reconsider its priorities. He spoke in support of exploring alternative revenue sources. He stressed that cutting the university research funding was shortsighted. He was willing to pay an income tax. He spoke in support of using the Permanent Fund earnings to pay for essential services.

[4:22:19 PM](#)

ANNA PLAGER, SELF, FAIRBANKS (via teleconference), encouraged the committee to consider alternative revenue services. She suggested that the committee use their time wisely. She felt that the legislators were too focused on reelection. She remarked that government was an economic driver in the state. She felt that the legislators must solve the greater issues, before cutting essential services. She encouraged the committee to follow the governor's leadership. She spoke in support of a state income tax.

[4:24:31 PM](#)

JAN HANSOM, COOPERATIVE EXTENSION SERVICES, FAIRBANKS (via teleconference), testified in support of funding for the University. She spoke against the reduction to the Cooperative Extension Services at the university, specifically to the 4H program. She shared that the program had hundreds of volunteers that leveraged the cost of the staff for the program. She testified in support of a state income tax.

[4:26:18 PM](#)

DAKOTA WILCHER, COOPERATIVE EXTENSION SERVICES, FAIRBANKS (via teleconference), testified in support of funding for the University. He specifically spoke in support of funding for the 4H program through Cooperative Extension Services. He shared that the program had impacted his life in a major way, as he was only 18-years-old.

[4:27:45 PM](#)

RICHANA MAHLE, WOMEN AND CHILDREN'S CENTER FOR INNER HEALING (WCCIH), FAIRBANKS (via teleconference), testified in support of funding for behavioral health services. She shared that the WCCIH had helped her get sober and stay out of jail. She felt that the mental health programs understood the main problems relating to drug abuse. She stressed that the programs reduced crime and community disruption. She felt that the underlying issues must be addressed in order to have a positive impact on the community.

[4:29:59 PM](#)

KARL KASSEL, MAYOR, FAIRBANKS NORTH STAR BOROUGH, FAIRBANKS (via teleconference), spoke in support of using the Permanent Fund to fund essential programs and testified in support of a state income tax. He remarked that property taxes were currently in the middle of the country's average. He felt the shifting the tax burden to municipalities was statistically incorrect.

[4:32:19 PM](#)

ANDREA MERCHANT, WCCIH, FAIRBANKS (via teleconference), testified in support of funding for behavioral health services. She felt that the budget cuts for mental health and addiction services would have a violent impact on the community. She remarked that drug use was a problem throughout the state. She expressed that she was unsettled even considering the implications of the program budget reduction.

[4:34:02 PM](#)

MICHAEL ORI MILLER, UAF, FAIRBANKS (via teleconference), testified in support of funding for the University. He shared that he was enrolled in the university while still

in high school. He began in the pre-engineering program and completed his degree in civil engineering. He was currently awaiting his graduate acceptance at UAF. He encouraged the committee to fund the completion of the new engineering building. He remarked that the university continued to produce engineers that were equipped with the tools to enhance the economy for the state.

[4:36:06 PM](#)

CALEB SMITH, UAF, FAIRBANKS (via teleconference), testified in support of funding for the University. He encouraged the committee to fund a new engineering building at UAF. He remarked that he was a teaching assistant, and the labs were not receiving a quality education. He wanted the legislature to support the state's workforce.

[4:37:30 PM](#)

BILL SCHNABEL, UAF, FAIRBANKS (via teleconference), testified in support of funding for the University. He stated that he had worked hard in the university system. He stressed that there was great economic benefit to providing new engineering graduates to the state. He announced that he had two children, and he hoped that they would attend UAF. He urged the committee to restore university funding to the governor's proposal.

[4:39:15 PM](#)

SOPHIE TIDLER, UAF, FAIRBANKS (via teleconference), testified in support of funding for the University. She shared that she had utilized many of the university programs. She felt that the university provided diverse and complex experiences. She remarked that the previous investments from the state to the university. She stressed that there was a current unfinished engineering building.

[4:41:10 PM](#)

MICHAEL COOK, SELF, FAIRBANKS (via teleconference), felt that Alaskans would be willing to pay for essential services and government operations. He encouraged the committee to use the permanent fund for state government. He also spoke in support of a state income tax. He felt that the committee should be friendly and helpful.

[4:43:13 PM](#)

DOUG TOELLE, DIRECTOR, ACCESS ALASKA, FAIRBANKS (via teleconference), testified against cuts to senior services. He echoed the testimony of Mr. O'Keefe from the previous day's meeting. He shared a personal story about his experience living with multiple sclerosis. He remarked that he had a positive experience with Access Alaska, which used state funds to provide beneficial services.

LANCE ROBERTS, SELF, FAIRBANKS (via teleconference), testified in support of budget reductions. He thanked the subcommittees that made cuts to the governor's budget of 9 percent or more. He expressed disappointment in how little cuts were made in the Department of Labor and Workforce Development, and suggested that one deputy commissioner position should be eliminated. He thanked the committee for the committee substitute that drafted with additional budget reductions. He supported using funds other than unrestricted general funds. He mentioned the ISER-Goldsmith Plan [a plan developed by Scott Goldsmith, professor emeritus of the University of Alaska's Institute of Social and Economic Research (ISER)] and felt that the budget could be reduced without cutting the permanent fund dividend or imposing additional taxes. He suggested budgeting based on the cyclic nature of oil prices, and diversifying income. He thought that the private economy was the way to achieve diversification in the economy.

JEANETTE GRASTO, NAMI, FAIRBANKS (via teleconference), testified against proposed cuts to senior services, disability services, and cuts that targeted people at or near poverty. She shared that she was a board member of NAMI and a parent of two adult children with disabilities. She supported full funding for community-based services to include early intervention and prevention, assisted living, case management, supportive and emergency housing, and mental health and substance abuse treatment. She suggested that if the cuts were made to human services; individuals would seek more expensive services such as emergency medicine, nursing homes, psychiatric hospitals, jails, or prison. She discussed mental health treatment access in the Fairbanks area and lack of housing support. She was opposed to cutting the permanent fund and was supportive of a state income tax.

[4:49:44 PM](#)

MOLLY MCDERMOTT, UAF, FAIRBANKS (via teleconference), spoke in opposition to cuts to the University budget. She related that she was a research biologist with the U.S. Geologic Survey, a masters student at the UAF, and president of the Biology Graduate Student Association. She discussed her educational history, and highlighted that she returned Alaska to pursue graduate studies due to UAF's position as a leading institution in arctic research. She thought research was key to Alaska's future, and thought that the governor's proposed cuts to the University were more reasonable. She supported utilizing the permanent fund and utilizing new tax revenues. She discussed her intent to pursue her PhD at UAF if possible. She thought the University helped the state retain talent and draw talent to the state from other areas.

JESSICA HERZOG, UAF, FAIRBANKS (via teleconference), spoke in opposition to cuts to the University budget. She related that she came to UAF due to its reputation as a premier arctic research institution. She discussed research funding and suggested that students would need to seek opportunity elsewhere if the state was unable to offer its programs.

[4:52:00 PM](#)

RYAN BURNHAM, UAF COLLEGE OF ENGINEERING AND MINES, FAIRBANKS (via teleconference), spoke in opposition to cuts to the University system. He related that he was an engineering student and an army national guardsman. He discussed research and its importance to the university. He discussed the unique environment in which UAF was situated, and thought that the institution offered a unique perspective across many fields. He supported completion of construction on the engineering learning and innovation facility at UAF. He expressed support for a sales tax rather than an income tax, because it would tax everyone equally.

[4:53:36 PM](#)

NIKKI HINES, PRISONER RE-ENTRY COORDINATOR, CITY OF FAIRBANKS (via teleconference), spoke against cuts to behavioral health. She testified that any reduction in funding would have devastating effects in the community. She referred to SB 91 and the criminal justice reform initiative, which redirected offenders from jail to

rehabilitation services, mental health service, and substance abuse programs. She thought cuts to behavioral health was counterproductive to the state's goal of reducing recidivism and restorative justice. She discussed ex-offenders waiting inordinately long times for mental health services. She anticipated that without the needed services, crime rates would rise. She thought that cutting behavioral health would increase costs in other areas and would reflect no savings overall.

[4:54:43 PM](#)

CORINNE BOWELL, SELF, FAIRBANKS (via teleconference), spoke in opposition to cuts to senior services and disability services. She shared that she was the mother of a survivor of a traumatic brain injury. She related that her family spent a great deal of time at Access Alaska. She was concerned about the quality of life for senior citizens and people experiencing disabilities. She recounted that her family utilized the services of Access Alaska, and was concerned that budget cuts would be detrimental. She considered quality of life to be the very important to senior citizens and people with disabilities, and Access Alaska was an important service provider to that end.

[4:56:54 PM](#)

RANDY BOWELL, SELF, FAIRBANKS (via teleconference), spoke in support of funding for disability support services and Access Alaska. He related that he experienced a traumatic brain injury. He supported property investments as a source of income for the state. He spoke in support of investing Alaska's resources for economic growth.

[4:58:24 PM](#)

DOUGLAS COST, UAF, FAIRBANKS (via teleconference), spoke in support of funding for the University. He related that he was a PhD student at UAF and worked with the International Arctic Research Center. He discussed the budget challenges the state was facing and thought education was the best chance for the state to diversify the economy. He thought cuts to research and education would undermine the state's capacity to rebound from financial constraints and ecological and social issues. He suggested that to strip funding for research from UAF would contribute to people leaving the state and reliance on outside expertise.

[5:00:20 PM](#)

KAILYN DAVIS, UAF, SELF (via teleconference), testified in support of funding for the University. She worked as an undergraduate lab assistant at UAF in order to enjoy the research education opportunity offered by her mentor. She mentioned the extensive work of her mentor in advanced geologic theory. She discussed research education and encouraged the committee to consider restoring funding for research in the University budget. She suggested cutting funding for inter-collegiate sports.

[5:01:36 PM](#)

ROGER BURGGRAF, SELF, FAIRBANKS (via teleconference), testified in favor of funding for the University. He spoke in support of economic development in the state. He was concerned about destruction of any economic engines in the state through unreasonable taxes. He relayed concern for the oil, mining, and fishing industries. He thought cutting funding for research would be a destructive effort, and mentioned arctic research and climate change. He was concerned that cuts to research funding would result in lost matching funds from federal grants. He advised the committee to take care with what they were cutting. He asked the committee to review his written testimony.

[5:04:17 PM](#)

AMEE MCHATTEN, FNA, FAIRBANKS (via teleconference), spoke in favor of substance abuse prevention programs. She relayed her personal story of addiction and recovery. She recounted her personal successes after more than a year of addiction treatment.

[5:05:44 PM](#)

SIMON MATTHEW, SELF, STEVENS VILLAGE (via teleconference), testified in support of funding for state troopers. He was opposed to cuts to the permanent fund dividend. He was in favor of taxing non-residents.

[5:07:22 PM](#)

CURTIS WATKINS, SELF, FAIRBANKS (via teleconference), testified in support of alternate funding such as income

tax thought that the budget shortfall could not be solved by cuts alone. He thought that cuts would result in unintended consequences. He believed that over-zealous cuts to the ferry and highway systems could result in infrastructure collapse. He felt that other additional budget cuts would result in the population feeling less secure, our most vulnerable residents to be more at risk, and leave schools unable to meet the future needs of our citizens. He encouraged the committee to consider other sources of revenue, such as tapping into the permanent fund, and perhaps a state income tax. He mentioned increasing the fuel tax, as well as instituting a tobacco and alcohol.

[5:08:40 PM](#)

SUE SHERIF, SELF, FAIRBANKS (via teleconference), testified in favor of the Online with Libraries (OWL) program and funding the Alaska state libraries to the governor's proposed levels. She discussed the OWL program, explaining that the federal e-rate program combined with local funds to pay for high cost bandwidth in rural areas. She specified that e-rate paid 60 to 90 percent of the high-cost bandwidth for over 40 communities where the public library was often the only location in the community where broadband internet access was available to the general public. Without the OWL funding, the public libraries would be unable to leverage the nearly \$2 million in e-rate funding. She discussed different uses of the program, including online classes and webinars, filing of tax forms, and other activities such as online banking. She mentioned state agencies that realized cost savings in travel through utilizing the OWL video conferencing network. She discussed the high cost of bandwidth in Alaska as compared to other states.

[5:10:58 PM](#)

LISA HERBERT, PRESIDENT, FAIRBANKS CHAMBER OF COMMERCE, FAIRBANKS (via teleconference), spoke in support of the committee "right-sizing" government. She related that the chamber represented over 700 business and organizations throughout Interior Alaska. The Chamber's board of directors unanimously adopted a fiscal position to support a comprehensive long-term sustainable fiscal plan for the state. The chamber's position included encouraging the legislature to continue making budget cuts to "right-size"

government before imposing new tax revenues. The chamber supported use of the permanent fund earnings reserve in the current year, and supported strategic investments to support long-term economic growth such as research funds for the University. She discussed other concepts such as careful examination of formula-funded programs; reopening of salary and benefit negotiations, and identification of areas where privatization of services could be utilized.

[5:13:07 PM](#)

SUSHEILA KHERCE, SELF, FAIRBANKS (via teleconference), testified in support of funding for the University. She related her personal experience with obtaining her master's degree at UAF. She thought the proposed cuts to the University were detrimental to the state and would hamper its growth. She was willing to pay a state income tax or sales tax, which she saw as investments in the state. She saw the University as an important force in helping the private sector grow with qualified, educated workers.

[5:14:28 PM](#)

KRIS WILSON, SELF, NORTH POLE (via teleconference), testified in support of funding for the University. He discussed the advantage of having degree programs that would keep people in the state. He related a personal story about being an employee of the University and about former University President Mark Hamilton. He suggested there could not be economic growth without support from the state.

[5:16:45 PM](#)

HEATHER KOPONEN, SELF, FAIRBANKS (via teleconference), spoke in support of a state income tax. She testified in support of the University. She thought that the committee should cut what she considered to be corporate welfare rather than cutting human services. She testified in support of a decreased permanent fund dividend. She thought government programs helped all people be functioning contributing members of society. She suggested that cutting social programs resulted in increased costs to law enforcement, courts, and society; and detracted from productivity. She spoke in support of Access Alaska and behavioral health funding.

[5:18:25 PM](#)

BONNIE WOLDSTAD, SELF, FAIRBANKS (via teleconference), spoke in opposition to cuts in funding for the high-endurance patrol vessels in the Department of Public Safety. She specifically opposed cutting the funds appropriated for the repairs and engine repower of the patrol vessel. She referred to comments by coastal communities, fishing industry participants, and other interested parties; after which the legislature appropriated additional funds. She related that she had been working with the staff of Senator Lisa Murkowski and Senator Dan Sullivan to review National Oceanic and Atmospheric Administration (NOAA) funding used for fisheries patrol and enforcement. She thought that Alaska ranked 10th or 11th in federal funding allocation, and the state currently received \$1 million to \$2 million from NOAA. She discussed existing fund used by DPS for activities such as dockside sampling and fisheries and wildlife patrols.

[5:20:43 PM](#)

JOMO STEWART, FAIRBANKS ECONOMIC DEVELOPMENT CORPORATION, FAIRBANKS (via teleconference), testified in support of funding for the University. He referred to a resolution passed by the Fairbanks Economic Development Board, calling for a balanced solution to address the state's budget challenge. The resolution called for thoughtful and prudent budget cuts as well as increased revenues and expanded use of investment earnings. He thought that the university was a major economic engine for the state and was indispensable to Alaska's future economy. He referred to a joint letter from his organization and the Juneau Economic Development Council that supported adequate University funding. He referred to a presentation by Dan White, Vice-President for Academic Affairs and Research at UAA; which highlighted the importance of the University to the state's economy. He thanked the committee for their consideration and efforts on the budget.

[5:23:08 PM](#)

KAREN TABER, FAIRBANKS WELLNESS COALITION, FAIRBANKS (via teleconference), testified in support of suicide prevention programs and spoke in favor of funding for substance abuse prevention programs. She testified in support of funding

for behavioral health services. She stated that the coalition fostered wellness through data-driven prevention programs. She discussed risk factors and suicide prevention.

[5:24:02 PM](#)

JIMMY FOX, ALASKA PARENT TEACHER ASSOCIATION, FAIRBANKS (via teleconference), spoke in support of funding for Pre-K programs and K-12 education. He thought that the legislature had cut too much from the budget and supported creating additional revenue streams. He discussed a recent endorsement of the governor's plan by Moody Analytics. He discussed education spending and operational costs in the state. He mentioned the correlation between lack of education and incarceration. He emphasized the importance of Pre-k education, and thought that children who received Pre-k education were more likely to graduate from high school, obtain jobs, and be contributing members of society.

[5:26:14 PM](#)

BOB HARCHAREK, MAYOR, CITY OF BARROW (via teleconference), testified in favor of funding the budget at the governor's proposed levels. He furthered that he was president of the Alaska Municipal League and vice chair of the Alaska Local Boundary Commission. He discussed his educational background and teaching experience. He recounted that the City Council of Barrow had unanimously endorsed the governor's sustainable long term fiscal plan; particularly the need to generate immediate revenue and have a long-term fiscal plan, including an income tax. He discussed a reduction in the permanent fund dividend. He spoke in support of the revenue sharing program. He was concerned that the elimination of the municipal revenue sharing would result in the majority of the second class cities would no longer be able to function.

[5:30:03 PM](#)

DALLAS BROWER, SELF, BARROW (via teleconference), wanted recognition that seniors from all over Alaska had built the state up. She was in strong opposition to recent remarks by Rep about cutting funding for seniors. She testified against cuts to senior services. She stated that she directed a vocational rehabilitation center. She related a

personal story of utilizing the Meals on Wheels program, and wondered how many seniors had had the same need. She emphasized the importance of the program, and urged the committee to support programs for seniors.

[5:32:24 PM](#)

LINDSEY LAYLAND, SELF, DILLINGHAM (via teleconference), spoke against a fish tax and a state sales tax. She relayed that she was a commercial fisher and fish technician. She expressed concern for rural area residents paying more for essential items that were already extremely costly. She thought a state income tax was a positive solution for reducing the state deficit.

[5:34:57 PM](#)

GINA CARPENTER, SELF, DILLINGHAM (via teleconference), testified in opposition to a state sales tax and testified in support of a state income tax. She thought a state sales tax would provide an undue burden to coastal communities where resources were generated, and considered a state income tax was fairer. She thanked the committee for their work.

[5:36:21 PM](#)

TED KREIG, SELF, DILLINGHAM (via teleconference), testified in support of a state income tax. He mentioned out of state residents who did not spend money locally. He spoke in opposition to a state sales tax, which he considered would place an unfair burden on rural residents. He opposed cutting the permanent fund dividend, and highlighted the importance of the dividend to rural residents who had little other income.

[5:37:59 PM](#)

WENDY DEMERS, FEA/NEA, FAIRBANKS, testified in support of a sustainable budget. She shared that she was a teacher at the oldest elementary charter school in the state. She spoke in support of restructuring the permanent fund dividend earnings to help pay the deficit. She highlighted the benefit of a steady revenue source. She relayed that her school was facing a cut of \$115,000 to \$150,000; which translated to the loss of one teacher of seven, or two to

three support staff. She thanked the committee for their hard work.

[5:39:38 PM](#)

TIM PARKER, NEA, FAIRBANKS, testified in support of funding for K-12 education. Student learning was his top priority; he currently had 130 students. He asked the committee to consider how much the state had cut in the last three years from K-12 education. He shared that the state had cut about \$105 million during that time from education. He stressed that cutting education was a bad idea; every time education funding was cut it decreased the amount of student learning that was occurring. He referred to the constitutional requirement to adequately fund education. He encouraged the committee to look at education as an investment; every dollar that was put into education would benefit kids. He encouraged the committee to look at Permanent Fund earnings. He welcomed committee members to visit his classroom any time.

[5:41:52 PM](#)

SANDY JAMIESON, SELF, FAIRBANKS (via teleconference), testified in support of funding for K-12 education. He recalled that he had to pay school tax out of his first paycheck; at first he had felt shocked, but then it made him feel like a part of the community. He was supportive of an income tax and school tax. He relayed that the first 20 years he lived in Alaska there had been a sales tax, but it had been a mess.

[5:43:11 PM](#)

JON CHRISTENSEN, SELF, FAIRBANKS (via teleconference), discussed that Alaska's per capita spending was three to four times the national average and Alaska's education costs were almost double the national average. He shared that he could appreciate education because he grew up in a two to four person school room. He stated that the budget of that school made the current budgets look unbelievably shocking. He communicated that the experience had not hurt him and he had earned an engineering degree. He opined that a small school and less money did not disadvantage students if they wanted to learn. He stated that it did not matter to him where things were cut, but he believed cuts needed to be made. He referred to oil revenue and thought it would

be wise to structure the state's revenues based on market swings in order to prevent the same financial crisis in the future. He thought the role of government should decrease in individual's lives.

[5:45:43 PM](#)

TONYA BROWN, SELF, FAIRBANKS (via teleconference), testified in support of funding for the University. She related that she was alumni from UAF and had obtained two degrees there. She spoke to the value of receiving a good education. She understood that most of the state's income came from oil revenue, but she did not believe giving tax credits that would hurt the state's budget would make sense. She discussed lost revenue through not having a sales tax. She believed there were logical answers to the funding issue that did not involve cutting the budget.

[5:47:53 PM](#)

REBECCA RANSELL, SELF, FAIRBANKS (via teleconference), testified in support of funding for the University. She stressed that education was the wrong place to make such radical cuts. She emphasized that there was no way the University system could take such a hit and maintain the ability to provide the state's children with a high quality education. She discussed the value of research, which could provide opportunities for employment as well as graduate school. She continued that research at the University of Alaska attracted students and new faculty. She implored the committee to not rob Alaskan youth of the opportunity to get a quality education.

[5:49:19 PM](#)

JESSICA HEDGE, COUNSELOR, FAIRBANKS NATIVE ASSOCIATION, FAIRBANKS (via teleconference), testified against cuts to behavioral health services. She had benefited from the programs and was a productive member of society. She related a personal workplace story about an individual who was upset because her children were in placement. She worked with women to support them in becoming productive members of society. She stated that the services helped the individuals become who they wanted to be. She stressed that it would not be possible if the money was taken away. She emphasized that the cuts would hurt real people with real problems. She watched every day how mental health, the

workforce, and the University worked together to provide services. She spoke to the high financial cost of substance abuse. She asked the committee to imagine what could be done with the money as productive members of society.

[5:51:36 PM](#)

AT EASE

[5:56:00 PM](#)

RECONVENED

SHARON ALDEN, SELF, FAIRBANKS (via teleconference), expressed support for additional revenue for the state. She stated that the cuts had gone deep enough. She discussed that current spending was at 1977 per capita levels. She stated that the legislature had done significant work cutting the budget, some of which she agreed with and some she did not. She believed it was time to focus on finding additional revenue. She supported the governor's plan, and spoke in support on an income tax. She suggested 10 percent of an individual's federal income tax liability, which she believed would be fairer than taking money from the Permanent Fund. She remarked that using the Permanent Fund would mean taxing a four year old the same as an adult.

[5:58:16 PM](#)

AT EASE

[6:17:29 PM](#)

RECONVENED

^PUBLIC TESTIMONY: OFF-NET

[6:17:29 PM](#)

CHRIS EMRICH, CITY OF FALSE PASS, ANCHORAGE (via teleconference), opposed cuts to revenue sharing. He spoke about the importance of the state's support. He opined that certain critical necessities would be removed from communities without funding. He suggested maintaining revenue sharing levels recommended by Governor Walker. He thanked the committee for the opportunity to testify.

[6:20:02 PM](#)

SONDRA KAPLAN MAT-SU HEALTH SERVICES & MAT-SU HEALTH BOARD, WASILLA (via teleconference), testified in support

of funding for behavioral health services, particularly because of the current heroin epidemic reaching communities throughout the state. She did not believe it was the right time to cut services for people in critical need. She suggested that the behavioral health system was instrumental in realizing savings from the judicial system redesign and reinvestment. The behavioral health system was essential in order to achieve cost savings in Medicare reform. She believed that the cuts would ultimately lead to additional spending in other areas. She also expressed her concern with the \$3.6 million cut in the Medicare dental services and thought higher costs would result because of adults seeking care in emergency rooms. She urged the committee to refrain from making the two cuts she discussed. The thanked the committee.

[6:22:21 PM](#)

RACHEL GREENBERG, EXEC. DIRECTOR, MAT-SU SENIOR SERVICES, PALMER (via teleconference), testified against cuts to senior services. She reported that Mat-Su Senior Services had already sustained cuts relating to the Affordable Care Act and the minimum wage increase equal to \$150 thousand. Also, grant funds for Mat-Su Senior Services was decreased by \$12 thousand in the current year. The proposed budget containing a 2.85 percent to 5 percent reduction in senior grant funds would result in an additional cut of \$31 thousand to \$56 thousand for Mat-Su Senior Services. If the proposed cut to heating assistance was approved seniors would likely rely more on programs and services offered at senior centers and senior services organizations. Access to these organizations helps seniors to remain independent, out of expensive assisted living homes and skilled nursing facilities, and out of the hospital. She suggested that because of an increased senior population the funding provided for in FY 16 would actually be a cut to the budget. She reviewed a list of services provided through the senior grant program. She thanked the committee for its time and work.

[6:25:11 PM](#)

VANESSA REINHARDT, SELF, WASILLA (via teleconference), appreciated the fierce independence of Alaskans. She suggested that legislators should get back to basics and look at what the state constitution said that it had to fund and then budget from that point. She supported the

state and others pursuing resource development. She also supported a flat income tax and a seasonal statewide sales tax. She thanked members for their time.

[6:26:50 PM](#)

ED MARTIN JR., SELF, HAWAII (via teleconference), mentioned a "pie fallacy." He explained that the governor had given legislators a "pie" (budget) and indicated how it would be applied. He contested that the governor was actually proposing a redistribution of wealth. He wanted to take from the people in order to change the system. He argued that it was not new wealth. The state's new wealth came from people's efforts. He relayed that his family were homesteaders. He mentioned the state selling 1 million acres of land to its people. The governor had not offered anything towards the development or settlement of the people of Alaska. He opposed using the people's Permanent Fund. He supported all Alaskans receiving a voucher in order to have a stake of ownership. He favored creating new wealth. He thanked the committee for its time.

[6:29:44 PM](#)

PHIL HORTON, BOARD PRESIDENT, MAT-SU HEALTH SERVICES, WASILLA (via teleconference), testified in support of funding for behavioral health services. He believed the state would pay more in the future if the proposed cuts were sustained. He also supported funding the Medicare adult dental services. He thanked the committee members for their time.

[6:31:00 PM](#)

SHAWN PHILLIPS, CITY OF FORT YUKON, FORT YUKON (via teleconference), opposed several of the proposed cuts including the state's revenue sharing program. She explained that Fort Yukon provided many services to outlying communities but certain businesses were increasing prices because of current economic challenges. She was concerned with other reductions especially for elders, families, and children. She furthered that the state revenue sharing program was a lifeline to many small communities and some might not survive without assistance. She thanked the committee for the opportunity to speak.

[6:32:59 PM](#)

KAREN HARRIS, SELF, PALMER (via teleconference), asked the committee to preserve \$3.1 billion for tourism in the governor's budget. She expressed her thanks to the committee.

[6:34:24 PM](#)

BOB FASSINO, SELF, WASILLA (via teleconference), spoke in favor of the governor's plan. He supported the implementation of a flat rate income tax that was simple and would help to stabilize things. He did not envy the committee's position of having to make tough decisions. He thought Alaska had a bright future. He appreciated the committee's time.

[6:35:38 PM](#)

CLAIRE STEPHENS, SELF, ANCHORAGE (via teleconference), spoke in favor of cutting the budget equally across the board. She reasoned that Alaskan's were in a crisis together just as having grown accustomed to Alaska's rich lifestyle together. She stressed the importance of stopping the deficit, balancing the budget, and reducing governmental costs. She mentioned that every budgeted item should be cut by an equal percentage so that everyone suffered equally in proportion to the amount they received in the past. Alaskan's were resourceful and creative and would find ways to overcome the shortfall if necessary. She also spoke in favor of applying a percentage cut to executive branch employees and to legislator salaries. She favored deleting per diem pay during special sessions and capping the PFD at a maximum of \$1000. She provided additional details and sideboards around her solutions. She thanked members.

[6:38:27 PM](#)

KAY CLEMENTS, KHNS GENERAL MANAGER, HAINES (via teleconference), urged the committee to restore funding for public broadcasting. She asked the committee to reconsider funding a portion of public radio. Without receiving any state funding public radio would be at risk of not receiving federal funding. She also spoke in favor of the Online with Libraries program. She appreciated the committee's time and the work it was doing.

6:40:17 PM

CYRUS COOPER, SELF, HEELY (via teleconference), supported a statewide sales tax. He added that the money created from a sales tax needed to be walled off to fund specific programs. He also favored an income tax applicable to everyone who earned a wage in the state. He made it clear that using PFD monies was akin to stealing money as opposed to borrowing it. He considered it an "easy out." He observed that the state did not have a comprehensive strategy about to fight the rise in heroin addiction. Additionally, he thought there was an effort to suppress self-sufficiency. He thanked members for the opportunity to testify.

6:42:33 PM

PATRICIA PREYDTE, SELF, DILLINGHAM (via teleconference), testified in support of funding for the University. She thought the level of reductions was far beyond what the governor recommended. She objected to Representative Wilson's opinion that the research and outreach portions at the university did not merit funding. She added that in her experience in rural Alaska the cooperative extension and the marine advisory program. They produced more results for the money spent on other things. The extension service gave more value for the dollars spent. She also spoke of supporting the seafood industry. She saw the benefits of getting young people trained through the Marine Advisory program. She thanked the committee for its time.

6:44:36 PM

KAY ANDREWS, SELF, ALEKNAGIK (via teleconference), asked to retain the PFD program. She spoke of Governor Hammond being concerned about using the oil wealth. She hoped the state would look to other resources to help fund government. She hoped that legislators could see and appreciate some of the struggles in various communities. She spoke of relief provided when one of the native corporations bought out a fuel company resulting in lower fuel prices. The cost for her to fill up her truck went from \$125 to \$75. The reduction in cost helped to pay for food for her family. She supported an income tax rather than a sales tax. In her community there was already an income tax in place. She mentioned a large gap between the "haves" and the "have-nots" and asked the committee to avoid across the board

reductions. She asked for careful consideration in crafting a fiscal plan. She thanked the committee for its time and hard work.

[6:48:36 PM](#)

WILLIAM MORRIS, CITY OF ANDERSON, ANDERSON (via teleconference), spoke in favor of maintaining the revenue sharing program. He expressed his concerns about losing funding and how it would greatly affect rural communities. The majority of funding for the City of Anderson was from the revenue sharing. He spoke of the reverberating effects of the proposed cuts. He explained that when he made cuts he removed items out of the top of a program rather than the bottom. He mentioned the health of communities as a whole.

[6:51:31 PM](#)

JAY KENICK, SELF, NOME (via teleconference), understood the fiscal crisis the state was in with a 66 percent reduction in oil prices. He indicated that if his oil bill was reduced because of the price of oil going down he would be happy to pay a state tax. However, when his oil bill simply stabilized and additional taxes were taken out of his income he would be fearful of his own personal economy. He hoped that cuts could be made equally rather than taking more from rural resources in comparison to any other urban type center. He was hopeful that the state's leadership could find a solution.

[6:53:26 PM](#)

MATTHEW GILBERT, SELF, HAINES (via teleconference), reported growing up in Arctic Village and received his degree from the University of Alaska, Anchorage. He urged the committee to restore funding for public broadcasting. He did not agree with many of the suggested cuts because of so many people potentially losing their jobs. He suggested that with cuts came unemployment and eventually more crime. He favored reducing oil tax credits. He claimed the oil companies made billions of dollars every year even with the low price of oil. He hoped to see smartly crafted cuts. He also testified in support of funding for the University and other education funding.

[6:56:27 PM](#)

AT EASE

[7:05:49 PM](#)

RECONVENED

STEVE GINNIS, FAIRBANKS NATIVE ASSOCIATION, FAIRBANKS (via teleconference), testified in support of funding for behavioral health services. He opposed the \$8.5 million dollar reduction proposed by the House Finance Committee. He also testified in support of funding for the University. He believed that the research program was important because it generated revenue. He also testified against cuts to senior services. He was very troubled by many of the proposed reductions and hoped the legislature would revisit some of them. He understood the financial pinch on the state. He wished legislators well. He was aware that the landscape of Alaska was going to change. He thanked the committee for its time.

[7:09:02 PM](#)

AT EASE

[7:14:34 PM](#)

RECONVENED

DONNA BELL, SELF, HAINES (via teleconference), urged the committee to restore funding for public broadcasting. She thought the removal of the program was very sad. She also testified in favor of the Online with Libraries program. She closed by saying thank you.

[7:15:22 PM](#)

CAROL DUIS, SELF, HAINES (via teleconference), urged the committee to restore funding for public broadcasting and for Online with Libraries program. She supported education as well. She felt that any related cuts would cause a significant amount of damage to the state and to its children. She hoped the legislature would consider other options including eliminating legislative per diem and reconsidering the oil tax credits. She wanted to see more measured responses and the consideration of additional options.

HB 256 was HEARD and HELD in committee for further consideration.

HB 257 was HEARD and HELD in committee for further consideration.

Co-Chair Thompson reviewed the agenda for the following day.

ADJOURNMENT

[7:17:32 PM](#)

The meeting was adjourned at 7:17 p.m.